

Message Text

UNCLASSIFIED

PAGE 01 STATE 011016

71

ORIGIN EB-07

INFO OCT-01 ISO-00 AS-01 /009 R

DRAFTED BY EB:JKATZ:EMM

APPROVED BY EB:JKATZ

----- 119241

O 160106Z JAN 76

FM SECSTATE WASHDC

TO MR GERALD PARSKY C/O STAMFORD COURT HOTEL

RM 702 905 CALIFORNIA ST SAN FRANCISCO CA 94108 TELEX 340899

UNCLAS STATE 011016

FOR PARSKY FROM ENDERS

FOLLOWING IS JOINT STATE/TREASURY PRESS RELEASE WE PRO-

POSE TO PUT OUT FRIDAY NOON. REQUEST YOUR COMMENTS SOONEST

1. WE HAVE BEEN ASKED FOR A RESTATEMENT OF U.S. COMMODITY POLICY IN THE LIGHT OF SEVERAL RECENTLY CONCLUDED COMMODITY AGREEMENTS. OUR POLICY, AS REFLECTED IN SECRETARY KISSINGER'S STATEMENT AT THE SEVENTH SPECIAL SESSION OF THE UN GENERAL ASSEMBLY, IS BASED ON THE FOLLOWING MAIN INTERESTS: (1) WE SEEK ASSURED SUPPLIES AT REASONABLE PRICES. THIS REQUIRES NOT ONLY SUPPLY COMMITMENTS FROM EXPORTING COUNTRIES BUT ADEQUATE INVESTMENT IN NEW PRODUCTION CAPACITY. (2) WE ARE CONCERNED ABOUT EXCESSIVE PRICE FLUCTUATIONS SINCE, ON THE ONE HAND, THIS CAN IMPEDE ADEQUATE INVESTMENT AND, ON THE OTHER HAND, CAN CONTRIBUTE TO SEVERE INFLATIONARY PRESSURES. (3) WE RECOGNIZE THE IMPORTANCE OF COMMODITY EARNINGS TO PRODUCING COUNTRIES AND ESPECIALLY TO DEVELOPING COUNTRIES WHO ARE SIGNIFICANTLY DEPENDENT ON RAW MATERIAL EXPORTS.

2. FOR THESE REASONS WE HAVE PROPOSED A NUMBER OF MEASURES IN THE COMMODITY FIELD:

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 011016

(1) WE HAVE PROPOSED THAT THE WORLD BANK TAKE THE LEAD

IN BRINGING TOGETHER PRIVATE AND PUBLIC CAPITAL AS WELL AS TECHNICAL, MANAGERIAL AND FINANCIAL EXPERTISE TO FINANCE NEW MINERALS DEVELOPMENT.

(2) WE ARE SEEKING SUPPLY ACCESS COMMITMENTS IN THE MULTILATERAL TRADE NEGOTIATIONS.

(3) BECAUSE NO ONE FORMULA WILL APPLY TO ALL COMMODITIES, WE PROPOSE TO DISCUSS THE PROBLEMS OF INDIVIDUAL COMMODITIES ON A CASE BY CASE BASIS AND SEEK THE ESTABLISHMENT OF CONSUMER-PRODUCER FORUMS FOR EACH KEY COMMODITY TO PROMOTE EFFICIENCY, GROWTH AND STABILITY OF PARTICULAR MARKETS.

(4) WE HAVE EXPRESSED OUR INTENTION TO PARTICIPATE ACTIVELY IN NEGOTIATIONS FOR NEW COMMODITY AGREEMENTS IN TIN, COCOA, COFFEE AND SUGAR.

-- WE WILL SIGN THE NEW TIN AGREEMENT AND IT WILL BE SUBMITTED TO THE SENATE FOR ADVICE AND CONSENT.

-- WE HAVE NOT YET DECIDED WHETHER TO SIGN THE NEW INTERNATIONAL COCOA AGREEMENT. WE CONSIDER THE AGREEMENT TO BE DEFICIENT IN A NUMBER OF RESPECTS AND HAVE SUGGESTED THAT CERTAIN OF ITS PROVISIONS BE RENEGOTIATED. WE ARE AWAITING THE REACTION OF OTHER COUNTRIES.

-- WE ARE FAVORABLY IMPRESSED WITH THE SUBSTANTIAL IMPROVEMENTS NEGOTIATED IN THE NEW INTERNATIONAL COFFEE AGREEMENT. AN ANALYSIS OF THE NEW AGREEMENT AND A RECOMMENDATION FOR THE PRESIDENT IS BEING PREPARED.

-- NEGOTIATIONS FOR A NEW INTERNATIONAL SUGAR AGREEMENT WILL COMMENCE IN SEPTEMBER OF THIS YEAR. IN THE MEAN-

TIME, WE WILL BE PARTICIPATING IN WORKING GROUPS PREPARING FOR THOSE NEGOTIATIONS.

(5) WE PROPOSED A SUBSTANTIAL IMPROVEMENT IN THE IMF'S UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 011016

COMPENSATORY FINANCE FACILITY. AT THE RECENT IMF MEETING IN JAMAICA A SUBSTANTIAL IMPROVEMENT WAS AGREED UPON TO HELP STABILIZE THE EARNINGS FROM COMMODITY TRADE.

(6) WE ARE CONTINUING TO EXAMINE IN THE IMF AN IMPROVEMENT OF ITS ARRANGEMENTS FOR FINANCING BUFFER STOCKS.

3. AS THIS ENUMERATION OF MEASURES DEMONSTRATES
THERE IS NO ONE SINGLE APPROACH TO COMMODITY TRADE
PROBLEMS. WE REJECT PRICE FIXING ARRANGEMENTS WHICH
DISTORT THE MARKET, RESTRICT REDUCTIONS AND WASTE
RESOURCES. WE PREPARED, HOWEVER, TO CONSIDER
MEASURES WHICH WILL IMPROVE THE FUNCTIONING OF MARKETS
AND WILL DIRECTLY MET THE PROBLEMS OF RAW MATERIAL
PRODUCERS AND CONSUMERS. KISSINGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, COMMODITY AGREEMENTS, PRESS RELEASES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE011016
Document Source: CORE
Document Unique ID: 00
Drafter: JKATZ:EMM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760016-0136
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760149/aaaabrj.tel
Line Count: 123
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 18 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 JUN 2004 by schwenja>; APPROVED <01 DEC 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: ETRD, US
To: GERALD PARSKY
RM 702 905 CALIFORNIA ST SAN FRANCISCO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006